

■ North Carolina

■ Office of School Readiness



# **More at Four Pre-Kindergarten Program Fiscal and Contract Manual**

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## **Section 1. Introduction**

The More at Four Pre-Kindergarten Program (hereafter referred to as More at Four, More at Four Program or the Program) provides a high quality pre-kindergarten education for four-year-olds who are at risk of school failure.

The More at Four Pre-Kindergarten Program is a part of the Office of School Readiness (hereafter referred to as “OSR”) located in the North Carolina Department of Public Instruction (hereafter referred to as “NCDPI”) and the North Carolina State Board of Education (hereafter referred to as “NCSBE”).

The purpose of this manual is to outline proper management of the fiscal and contracting aspects of the Program and to provide fiscal reporting requirements.

## **Section 2. County/Region Plan and Contracts**

### **A. County/Region Plan**

A County/Region Plan (hereafter referred to as the Plan) must be developed in accordance with the *More at Four Pre-K Program Guidelines and Requirements*. The Office of School Readiness State Office (hereafter referred to as OSR State Office) pre-approves the Plan and approves applicable changes.

County/Region More at Four Committee: See – *More at Four Program Guidelines and Requirements* Section 2

### **B. Contracts**

The More at Four Program procures, through contracts, high quality pre-kindergarten education services for four-year-olds who are at risk of school failure. All contracts and payments for services are subject to fund availability.

The contractual agreement is between the NCSBE and the responsible county entity (Contractor) selected to administer the Program by the County/Region More at Four Committee (hereafter referred to as the Committee). As a rule, the Contractor will communicate with the OSR State Office for all matters pertaining to the contract unless otherwise indicated.

More at Four contracts are with private and public agencies as determined by the County/Region More at Four Committee.

#### **1. Contract Determination**

Using the guidelines for contract determination, the OSR State Office determined More at Four contracts are purchase of services contracts.<sup>1</sup>

A purchase of service (purchase of goods or services) contract is not subject to N.C.G.S. § 143C-6-22 & 23 and thus a fiscal audit is not required. However, the Contractor and subcontractor are subject to an audit of start-up fund expenditures, child eligibility and attendance, certified other resources accessed and may be subject to a program audit.

*More at Four Pre-Kindergarten Program Audit Guidelines*

#### **2. Plan Review and Approval**

The Contractor submits the County/Region Plan and applicable changes on-line to the OSR State Office. The OSR State Office reviews the Plan and all requested changes in accordance with the *More at Four Program Guidelines and Requirements* and the *Fiscal and Contract Manual*.

County/Region More at Four Committee: See - *More at Four Program Guidelines and Requirements* Section 2

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<sup>1</sup>Circular A-133, Section .210

### **3. Contract Development, Review and Approval**

In April, the OSR State Office notifies the Contractor of its slot allocation for the next contract year and develops a contract based on the current slot allotment and the existing on-line Plan. The OSR State Office strives to have all contracts executed by July 1<sup>st</sup>.

#### **a. Contract Development**

A contract document consists of a contract template and other attachments as required. **The More at Four Pre-Kindergarten Program Guidelines and Requirements, this manual and the approved County/Region More at Four Plan on file at the OSR State Office are incorporated by reference in the contract.**

- **Contract Template including Attachment A**

The contract template outlines the roles and responsibilities of the parties of the contract. These include, but are not limited to, the following as applicable:

- Effective period of the contract;
- Contract duties;
- Amount of payment (operating and start-up);
- Payment provisions;
- Sales/use tax requirements;
- Equipment purchase requirements;
- Records retention requirements; and
- Confidentiality requirements

- **Other Attachments**

- Attachment B - More at Four Program scope of work; and
- Attachment C – Private Not – for – profit agency verification of 501 (c) (3), as applicable.

**NOTE: The OSR State Office accepts the signatures of the Principal or Center Director, in Section Ia, as certification that the *More at Four Program Guidelines and Requirements* have been read and that each More at Four classroom will comply with the requirements.**

#### **b. Contract Review and Approval**

The intent to contract is approved by the OSR State Office and the Deputy Superintendent of the Department of Public Instruction.

### **4. Contract Signatures**

Signature steps are as follows:

- Contract Administrator receives two (2) original contracts to secure authorized signature. The signer of the contract must be the person with fiscal oversight

responsibility within that local organization (i.e., Superintendent of Schools, Chairman of the Partnership Board or authorized designee, or CEO or President of a private organization or authorized designee).

- Contract Administrator returns two (2) original signed contracts and supporting documents to the OSR State Office;
- NCSBE Deputy State Superintendent or designee signs contract; and
- NCSBE State Superintendent signs contracts. The contract is now executed.

The Contractor will receive one original executed contract for its files.

### **5. Contractor Subcontracting Responsibilities**

The Contractor must execute subcontracts with providers of More at Four services (6 to 6 ½ day for slots) not under its auspices. The Contractor should follow its own procurement procedures for processing subcontracts. The Contractor should use the template(s) supplied by the OSR State Office and should have the template reviewed by its legal counsel to ensure it meets its agency's requirements.

- The Contractor shall not subcontract any pre-k educational services without prior approval from the OSR State Office. Prior approval consists of approval through the on-line plan.
- All subcontracts with providers for More at Four services will be Purchase of Service contracts (subcontractor request payment based on filled slots not by line item, and operating funds do not have to be accounted for nor returned if unexpended);
- Any approved subcontract is subject to all conditions of the contract between the NCSBE More at Four Program and the Contractor;
- The Contractor, as advised by the County/Region Committee, decides if subcontractor will receive start-up funds in the contract to purchase start-up items or if the Contractor will purchase the items for the subcontractor. The Contractor should decal any equipment that it purchases with start-up funds before sending it to the subcontractor. The subcontractor should decal any equipment that it purchases with start-up funds.
- The OSR State Office will not pay for services performed by an unapproved subcontractor;
- The OSR State Office can request complete copies of any agreements between the Contractor and any of its subcontractors; and
- The Contractor must receive all subcontractor data (this includes, but is not limited to request for payment and attendance reports with applicable child information) in a timely manner to ensure submission to the OSR State Office by the required date;
- The subcontract templates should only be used to subcontract for the More at Four slot(s) (6 to 6 ½ hr day) for which the Provider will receive reimbursement for a filled slot.

The Contractor is responsible for monitoring the subcontractor. The Contractor is responsible for ensuring subcontractor compliance with applicable rules and regulations and is liable for repayment to the OSR State Office of misspent start-up funds or unearned operating funds.

Subcontract templates: <http://www.osr.nc.gov>  
Monitoring: See Section 13. Audit and Monitoring

## 6. Contract Changes

Changes may be required during the effective period of the contract. The Contractor changes the information using the on-line Plan and Change Request. The following table lists where changes can be made, what signatures are required, and what OSR State Office approval is needed.

NOTE: Refer to the Making Changes to MAFPLAN 2008-09 User Guide for detailed instructions for all changes to the More at Four County/Region Plan.

MAFPlan Section	Information	Who Can Change It	Approval Required
Committee	Co-Chairs Info	Plan Administrator	Automatic
	Other Designated Members		
	Other Representatives		
Contract Info	Contract Agency Name	OSR State Office – susan. blackard @ncmail.net	New Contract to be issued
	Contract Agency Type		
	Contract Federal Tax ID		
	Contract Agency Address & Phone #	Plan Administrator	Automatic
	Contract Administrator Name & Info		
	Program Contact Name & Info		
	Fiscal Administrator Name & Info		
	Additional Contact Name, Phone # & Email Address		
Site	Facility Type, LEA #, Current Star Rating, & Phone Numbers	Plan Administrator	Automatic; however a downward change in star rating sends an email to the OSR State Office.
	Site Name & License Number	OSR State Office – jody.koon@ncmail.net	Jody Koon
	Site Address	Plan Administrator	Change Request / Administrative Letter
	Remove a Site	Plan Administrator	Change Request / Administrative Letter. Note: If a site/classroom has served More at Four children it should not be removed from the Plan.
	Add a New Site	Plan Administrator	Change Request / Administrative Letter if total number of slots remain same; Contract Amendment if total number of slots changes (new signature on Section 1a of Plan in both cases)



MAFPlan Section	Information	Who Can Change It	Approval Required
Principal/ Director	Name/email of Principal/Director (name change only, not new person)	Plan Administrator	Change Request / Administrative Letter (New signature not necessary with existing sites)
	Phone Numbers	Plan Administrator	Automatic
	Address	Plan Administrator	Change Request / Administrative Letter
	Type, Highest Degree and Major, Credential or Working on Credential Program, Working on Degree Program and Major	Plan Administrator	Change Request / Administrative Letter
	New Principal/Director	Plan Administrator	Change Request / Administrative Letter (New signature not necessary with existing sites)
Classroom	Curriculum, Dev. Screening, Ongoing Assessment Tools and More at Four Hours of Operation	Plan Administrator	Automatic
	Classroom Code, Max. Approved Class Size & Year Designated More at Four	OSR State Office – jody.koon@ncmail.net	Jody Koon
	Number of Slots	Plan Administrator	Change Request / Administrative Letter
	Remove a Classroom	Plan Administrator	Automatic, classroom cannot have any slots, teachers, or service
	Add New Classroom	Plan Administrator	Change Request / Administrative Letter - total # of slots unchanged; Contract Amendment - total # of slots changed (generates Budget Change Request)
	Classroom Slot Dates	OSR State Office – susan.blackard@ncmail.net	(If the original 10 months of operation needs to be changed.)
Teacher	Name of Teacher (name change only, not new person)	Plan Administrator	Change Request / Administrative Letter
	Race / Ethnicity, Entry Date, Exit Date	Plan Administrator	Automatic (exit date should be entered only if teacher leaves the classroom)
	Teacher Type, Highest Degree & Major, Degree Working On & Major, License/Credential, NCLB Exception, Working on Licensure /Credentials, Working on Degree Program & Major	Plan Administrator	Change Request / Administrative Letter
	Add a New Teacher	Plan Administrator	Change Request / Administrative Letter
	Remove a Teacher	Plan Administrator	Automatic (use exit date)
	Move a Teacher	Plan Administrator	Automatic

MAFPlan Section	Information	Who Can Change It	Approval Required
Budget	Operating Allocation & Start-up Budget	OSR State Office tina.quiller-morgan@ncmail.net	Tina Quiller-Morgan
	Operating Budget in Plan	Plan Administrator (increase or decrease slots)	Change Request / Contract Amendment
	Estimated Other Resources	Plan Administrator	Change Request/Email Approval

**NOTE: Email addresses listed in the Plan for the Contract Administrator, the Program Contact, and Additional Contact, if applicable need to be correct at all times. Automated emails associated with the on-line Plan are forwarded directly to the email addresses listed.**

**a. Contract Amendments**

Changes that affect the effective period of the contract and/or the state funding result in a contract amendment.

**b. Administrative Letter**

An Administrative Letter, signed by the OSR State Office Executive Director, is the official approval or denial notice for other changes to the Plan such as site location, teacher credentials, or reallocation of slots between sites. The Administrative letter is a part of the original Plan and should be maintained with the original Plan.

**7. Contract Termination**

A contract may be terminated for various reasons such as funding reduction or the Contractor's failure to fulfill the obligations under the contract or other reasons as described in Section 5.D.

If the contract is terminated, the Contractor must return any unearned and unspent start-up funds to the OSR State Office within 60 days of the termination date but no later than June 20 of the current state fiscal year (hereafter referred to as SFY), whichever is earliest.

### Section 3. Allocation of Funds

#### A. Funding

The OSR State Office allocates the number of slots (children to be served), the payment rate, and the operating budget to each county.

**The full cost of a high quality pre-kindergarten program is estimated at approximately \$8,000 – \$8,500 per-child per school year. More at Four does not pay the full cost of a high quality pre-k program; therefore, communities are required, by legislation, to access other resources.**

Counties receive a per-child allocation for a 10-month school year. The current statewide average is approximately \$4,450 per slot (or \$445 per month). Each county's base allocation was originally based on the low-wealth county supplemental funding formula used by NCDPI. In interim years, other adjustments have been made to reflect higher percentages of private child care slots and higher child care market rates.

**Although the State has a single payment rate per-county, the Contractor may decide, with the advice and consent of the County/Region More at Four Committee, to use differential payment rates with their provider based on the need or other funding resources available.**

There are three types of funding under the More at Four Program:

- **Operating funds:** These are More at Four funds paid to the Contractor for services rendered under the contract. In a purchase of service contract, operating funds are spent on the More at Four Program at the discretion of the Contractor with the approval of the Committee. If there are unused operating funds at the end of the contract period, the Contractor may carry these funds forward. There is no reversion of operating funds under a purchase of service contract. Operating funds can not supplant existing funds for pre-k educational services (See Section 4.C).
- **Start-up funds:** The start-up funds are a one-time payment (\$500) per new slot and are a standard allocation for all counties. Start-up funds are restricted funds. Start-up funds do not carry forward.
- **Other resources:** Other resources are blended with the More at Four funds and directly benefit the operations of the More at Four classroom/program. Other resources consist of cash and in-kind from funding sources (State or Federal) such as Smart Start, Head Start, Title I, and local appropriations.

#### B. Determining the Number of Slots per County

The number of slots originally allocated to each county was based on each county's share of the total population of at-risk four-year-olds in the state that year. Free or reduced price lunch participation (which is based on family income) was used as the at-risk indicator. This method provided the base line of slots per county.

- **Additional slots**

Additional slots, when available, are allocated by the OSR State Office to counties based on the county's need and its ability to establish and fill new slots.

If a county/region determines it needs more slots, it should request additional slots by completing the ***Request for Additional Slots form (M@4-5 Rev 6/06)*** signed by the two co-chairs (or designees) of the Committee. A report of this action should be reported back to the Committee. When notified by the OSR State Office that new slots have been awarded, the Contractor completes the on-line Change Request placing the new slots in the Plan. A contract amendment will be issued.

- **Reduction/Released slots**

A Contractor's slot allocation may be reduced by two methods:

1. If the County/Region More at Four Committee decides not to use the total number of slots allocated, the Contract Administrator should submit an ***Authorization to Release Slots form (M@4-10 Rev 7-06)***. If slots are under contract an on-line Change Request reducing the slots in the Plan should be submitted. The Contract Administrator should keep the minutes of the Committee meeting that indicate decisions made, members present, and results of votes.
2. The OSR State Office is required by legislation to reduce the allocated slots to a county if the slots remain unfilled as of January 31 of each year. The OSR State Office reviews slots allocated and filled by county monthly and begins reallocating slots in October to comply with the legislative mandate. See Refund Section 11. An Authorization to Release Slots form is not required if the OSR State Office reduces allocated slots based on the legislative requirement. The process must begin several months before the mandatory deadline to allow time to reallocate slots, execute contract amendments and fill slots.

Slots that are released or reduced are re-distributed by the OSR State Office to other counties based on the county's need and ability to establish and fill new slots.

Forms: <http://www.osr.nc.gov>

### **C. Operating Funds per County - Operating Allocation**

The operating allocation is calculated by multiplying the number of slots times the monthly rate times the number of months of the program (not to exceed 10 months). This amount cannot exceed the total operating amount listed in the contract.

The OSR State Office may adjust operating allocations to counties for unused slot months. An unused slot month is considered as a contracted slot for a past month where the Contractor is not paid for that slot. The slot is not used in that month and results in one "unused slot month." The slot allocation will not be reduced but operating funds from earlier months that can no longer be

spent during the current contract period may be removed from the total contract amount. Contractors will be notified if this occurs and will receive contract amendments.

Request for payment: See Section 5 - Payment Process

## **D. Start-up Funds**

Start-up funds are a one-time standard allocation of (\$500) per slot and are restricted funds. Contractors use the Generally Accepted Accounting Principles (GAAP) to document start-up fund expenditures.

### **1. Start-up Allocation**

Contractors may receive \$500 of start-up funds for each new slot. The start-up allocation is determined by the OSR State Office. Established slots transferred to a new classroom do not receive additional start-up funds.

### **2. Allowances/Restrictions**

Start-up funds will be available upon execution of the contract. Start-up funds must be used to prepare the More at Four Pre-Kindergarten classroom, including but not limited to the purchase of instructional materials, curriculum, equipment and supplies. As restricted funds, start-up funds may not be expended for real property, buses or motor vehicles or office/administrative equipment. Items purchased with start-up funds stay with the More at Four Program. **The Contractor, as advised by the County/Region More at Four Committee, may allocate start-up funds among the classrooms based on needs.**

All non-consumable items purchased with More at Four start-up funds must remain with the More at Four Program. Non-consumable items are defined as tangible products that can be stored or inventoried and have an average life expectancy of at least two years. Non-consumables must be accounted for and movable from the time a site/classroom joins the More at Four Program. When a classroom terminates, all non-consumable items must be redistributed to other More at Four classrooms.

Subcontracting: See Section 2

Requesting start-up funds: See Section 5 - Payment Process

Procurement and Property Management: See Section 6

Reporting start-up funds expenditures: See Section 10 – Reporting Requirements

Refunds: See Section 11- Refunds

Program Income: See Section 7 – Program Income

## **E. Other Resources (Estimated and Certified)**

More at Four legislation requires that “Programs must demonstrate that they are accessing resources other than More at Four.” Other resources may be cash and/or in-kind and are reported by funding source. There is no specific percentage required. Other resources should be necessary expenses for the More at Four Program, should be allowable costs, and should not

include services before and after the 6 to 6 ½ hour classroom day. Cash resources should be actual cash deposited in the Contractor's account and in-kind resources are non-cash.

Other resources are divided into two categories for reporting purposes:

- **Estimated Other Resources Budget** - The estimated budget for other resources is reported to the OSR State Office in the on-line MAFPlan only. Estimated Other Resources are cash and non-cash (in-kind) resources. The amounts are listed by funding source and represent the best estimate of other resources that will be used to support the More at Four Program for the state fiscal year. Although the estimated budget can be viewed on-line, it is not part of the contract document and does not need to be part of any subcontract for More at Four services.

The annual estimated other resources budget assists the OSR State Office in capturing the full cost of the Program. Documentation of the amounts are not required for the estimated other resources budget and Contractor's annual estimates are not subject to audit. Contractors should examine the estimated other resources budget semi-annually (December 15 and May 15) and update the on-line Plan budget amounts based on actual expenditures of other resources.

The table below does not represent a complete list but does provide examples of other resources by funding source and how to estimate other resources:

Funding Source	How to Calculate <b>Estimated</b> Other Resources For the MAFPlan Budget Page
Smart Start	Total amount of SS subsidy supporting MAF children Personnel costs of staff related to administering MAF Program
Subsidy	Amount paid for MAF children for 6 to 6 ½ hour day
Title I	Amount for MAF Classroom (divide by total number of students then times MAF students)
CACFP (food program)	Number of MAF children qualifying for free or reduced lunch times rate
Exceptional Children	Amount for MAF classroom funding (divided by total number of students, times MAF students)
Head Start	Amount for MAF classroom (divided by total number of students, times MAF students)
Local Appropriations	Estimated value of classroom, playground and joint use space for MAF children in public facilities
Private Provider Funds	Amount provider normally charges for 6 to 6 ½ day less the MAF child, less CACFP, and less any other funds that the provider receives to augment the MAF classroom. This represents the provider's in-kind contribution and actual expenses of the provider that do not have to be tracked.

- **Certified Other Resources** – The certified other resources is reported to the OSR State office annually and should represent up to 5 months of actual expenditures. These expenditures, listed by funding source, represent the amount of cash (not in-kind) that has been spent July 1 through November 30 from other sources to support the More at Four

Program. The Contractor must submit an ***Other Resources Certification Statement (M@4 11 Rev 7/08)*** to the OSR State office no later than January 5 and is required to have full documentation (as prescribed in the table below) on file to support the amounts listed. Certified other resources are included in the Audit Guidelines and are subject to audit.

The table below does not represent a complete list but does provide documentation required to certify other resources by funding source:

Funding Source	Supporting Documentation Needed for Certified Other Resources
Smart Start	Smart Start agency's accounting records
Subsidy	Subsidy receipts referencing children's names
Title I	LEA accounting records showing actual expenditures for classroom, prorated to cover MAF students only
CACFP (food program)	CACFP receipts referencing children's names
Exceptional Children	Exceptional Children agency's accounting records showing actual expenditures for classroom, prorated to cover MAF students only
Head Start	Head Start agency's accounting records showing actual expenditures for classroom, prorated to cover MAF students only
Parent Fees (Transportation)	Agency's accounting records showing actual receipt of funds
Parent Fees (Nutrition)	Agency's accounting records showing actual receipt of funds.

**Parent Fees:** The only fees that may be charged to the More at Four families for services are nominal fees for transporting children to/from the More at Four Program, or fees to cover the partial/full costs of meals when families do not qualify for free/reduced priced meals. Parent fees charged for wrap-around services provided outside the 6 to 6 ½ hour More at Four classroom day, do not help finance More at Four classroom day.

Reporting other resources accessed: See Section 10 – Reporting Requirements  
Blended Funding: See Section 4 – Related Funding Information  
Fourth Quarter Reports: See Section 12– End of Year Requirements  
Funding and Other Resources: See Section 3– Allocation of Funds  
More at Four Pre-Kindergarten Program Audit Guidelines  
Forms: <http://www.osr.nc.gov>

## Section 4. Related Funding Information

### A. Related More at Four Costs

More at Four funds must be spent on the More at Four Program. The Contractor, with approval of the Committee, has discretion in the use of funds. More at Four **does not** provide specific funds to offset the costs of administration, transportation for children to and from the program, recruitment of eligible children and outreach to families and the community. These related costs are to be covered by the per-slot rate paid by NCSBE and by using other resources. It is acceptable for a reasonable amount of operating funds to be used to offset these related costs.

If the Committee authorizes the Contractor to pay less than the full state rate to the subcontractors, the Contractor should budget its More at Four funds to More at Four related activities.

**NOTE: If the Contractor uses too much of the per-slot rate toward administrative, transportation and/or recruiting and outreach costs, it will be difficult to fund a high quality pre-k classroom program unless extensive other resources are available.**

### B. Leveraging Funding

Contractors leverage money from a variety of sources in order to fully fund More at Four classrooms. Such funding includes More at Four funds plus other resources including other state, federal or local sources. The OSR State Office encourages counties to leverage all eligible revenue sources to support the More at Four Pre-K classrooms.

### C. Supplanting funds

Legislation prohibits the supplanting of other funds with More at Four funding. Generally, More at Four funds may not replace other funds but may supplement other funds to serve more at-risk 4-year-olds or to improve the level of service to comply with More at Four requirements. The pool of non-More at Four funds available to the county for pre-k educational activities (local, state, and/or federal) should not be replaced with More at Four funds. Other non-More at Four funding sources over which the Committee has control should be maintained at 2005-06 levels.

The non-supplant clause for More at Four Pre-K was revised by 2006-07 Session Law 2006-66 as follows; “Support of existing four-year-old classrooms with “More at Four program funding shall be permitted when current funding is eliminated, reduced or redirected as required *to meet other specified federal or State educational mandates*”.

If a request is made to support existing 4-year-old classrooms with More at Four Pre-K funds when current funding is eliminated, reduced or redirected, a **specific, detailed explanation is required and must be reviewed and approved by the OSR State Office. This explanation must include the type of funds being eliminated, reduced or redirected (i.e., Title I,**



**Exceptional Children) and the specific educational mandates being met.** An auditor should be able to track the funds redirected.

Funding the program at the same level with different funds (More at Four funds stay the same) is not supplanting.

Increasing the number of More at Four slots through leveraging funds is not supplanting, it is considered supplementing.

Increasing More at Four funding and reducing other funding is supplanting. Consideration will be given on a **case-by-case basis** as described above and in accordance with legislation.

#### **D. Temporary Assistance to Needy Families Maintenance of Effort**

The Temporary Assistance to Needy Families (hereafter referred to as TANF) block grant funds services and assistance to income-eligible families who have a child living in the home. The TANF block grant, administered by the North Carolina Department of Health and Human Services (hereafter referred to as NCDHHS), has an annual cost-sharing requirement, referred to as the Maintenance of Effort requirement (hereafter referred to as MOE). Every federal fiscal year each state must spend a certain amount of its own money to help eligible families in ways that are consistent with the purpose of the TANF program. The More at Four Program, designed to provide quality pre-kindergarten experiences that may allow parents to work, may count as Maintenance of Effort (hereafter referred to as MOE).

MAFKids: More at Four Child Reporting System (hereafter referred to as MAFKids) captures the TANF MOE information to assist the State in meeting its federal requirements for TANF expenditures. Although this process is invisible to the Contractor, the Contractor provides the information in two ways:

- First, the Contractor collects and enters the child information into MAFKids. MAFKids determines the TANF eligibility. Eligibility criteria are:
  - The child is a US citizen;
  - The child is a resident of North Carolina;
  - The child is eligible for free or reduced lunch;
  - The primary caregiver is employed; and
  - The child lives with an adult blood relative or with a non-relative who has legal custody or guardianship.

If any of these data elements are missing the eligibility cannot be established. The Monthly Attendance Report generated by MAFKids will show “CND” (can not determine) in the TANF eligibility column.

- Second, the Contractor enters the payment rate into the MAFKids classroom form. **This rate represents the amount of More at Four funds that are paid to the provider.** If the provider is a subcontractor, the amount may be different from the rate that the OSR State Office pays to allow the Contractor to use some of the funds to offset other Program costs.

This process of capturing and calculating the number of eligible children and the amount of funds expended per-child is invisible to the Contractor. However, the Contractor is responsible to ensure that eligibility data are accurately entered into MAFKIDS. Data should be verified during the course of the program and any changes in TANF eligibility entered in MAFKIDS. The Contractor is responsible for maintaining eligibility documentation in each child's file.

MAFKIDS automatically calculates the number of TANF eligible children and the amount expended toward the state's requirement (MOE). The OSR State Office reports these amounts to the NCDHHS, Office of the Controller for recording in the official accounting records of the state.

Refer to the *More at Four Pre-K Program Guidelines and Requirements*, for the required data elements determining More at Four eligibility and acceptable documentation.

Database Reporting: See Section 9 - More at Four Child Reporting System (MAFKIDS) – Database Monitoring: See Section 13, Audit and Monitoring

## Section 5. Payment Process

All forms referred to in this manual are available on the Office of School Readiness website (<http://www.osr.nc.gov>) in Word, Excel and/or pdf format.

More at Four funds are disbursed to Contractors as operating funds and start-up funds. The NCSBE pays the Contractor either by electronic funds transfer or by check. The Fiscal Officer for the Contractor is notified by email of the payment.

### A. Operating Funds

The funds for services rendered are operating funds. Monthly payments are based on the number of slots filled times the per-slot rate. A slot is considered filled if it meets the qualifications defined in the Attendance Policy below for payment purposes. The number of slots filled in one month cannot exceed the number of slots in the contract. The total amount of operating funds requested during the contract period cannot exceed the total operating amount listed in the contract.

$\text{Number of Filled Slots} \times \text{Rate} = \text{Monthly Payment Amount}$
--

Contractors and subcontractors will receive no more than 10 months of payment per slot filled based on child attendance. However, a Contractor could receive payment over 12 months, depending on when each slot is filled.

#### 1. More at Four (MAF) Program Attendance Policy is:

- a. Child attendance must be taken each day of the MAF program year.
- b. A child may be considered in attendance and recorded as present in MAFKIDS when:
  1. He/she is present for majority of 6-6 ½ hour MAF program day.
  2. A home/community setting visit is conducted to meet with the child/family for initial program orientation and/or educational purposes (written documentation required).

Note: Local programs are encouraged to work with families to support the child's attendance and participation in More at Four. When a child has been absent for **three** consecutive days, the More at Four site administrator should contact the family and determine the child's participation status. Local More at Four site administrators must document attempts to contact the family, as well as decisions regarding the child's continued participation in the program. Every effort should be made to maintain the child's placement and participation in More at Four.

#### 2. More at Four Attendance Requirement for Payment Purposes is:

- d. A child slot will be considered filled for payment purposes with **four** recorded attendance days within one month.

- e. A child slot will be considered filled for payment purposes with **one** recorded attendance day within one month in the following situations:
1. First and last month of classroom operation (limited attendance days available). **The State Office will automatically apply (no exception necessary).**
  2. Child enrolled at/near the end of month (limited attendance days available). **The State Office will automatically apply (no exception necessary).**
  3. Special circumstances warrant an exception: e.g., child involved in debilitating accident or has prolonged illness limiting on-site MAF participation. **Exception requests must be made in writing by the Contract Administrator and submitted to the Chief of Budget and Analysis, Office of School Readiness, for consideration and approval. Decisions will be made on a case-by-case basis.**

Note: If a child is served at two different sites within the same month and meets the attendance requirement for payment purposes for both, payment may be made to each site serving the child. **Payment will not exceed the number of slots in the approved plan for a contractor.**

Contractors receive monthly payments for filled slots by submitting a ***Request for Payment (M@4-1 Rev 7/08)***. The OSR State Office will review the Contractor's request verifying accuracy and conformance to the Plan before payment is made.

The OSR State Office will make no payments for slots that are not allocated according to the approved Plan, for slots in classrooms with unapproved teachers and for incorrectly submitted forms.

The Contractor submits the following items to the OSR State Office by the **10<sup>th</sup> business day** of the month **following** the month of service to receive payment:

- An original, signed ***Request for Payment Form (M@4-1 Rev 7/08)***. This form is not generated from MAFKIDS therefore it must be prepared by the Contractor and signed by the Superintendent, Chairman of the Board, CEO, or designee **and** the Chief Fiscal Officer or designee.
- An original, signed ***Summary of Attendance Report Form (M@4-6 Rev 7/05)***. This form, signed by the Contractor, is generated from MAFKIDS after all classroom information for the month is entered. The Contractor must **manually** enter the "Number of Slots for Payment" per classroom on this form.
- A signed copy of each classroom's ***Monthly Attendance Report (M@4-7 Rev 4/07)***. This form is generated from MAFKIDS and it is completed as part of the monthly input into MAFKIDS. After the classroom attendance information is entered and verified, the site director should sign and date the report. The signature of the Contractor is also required prior to submission to the OSR State Office.

**NOTE: The OSR State Office accepts the Site Director and Contractor's signatures as certification of each child's attendance and that the classroom is in compliance with the More at Four Pre-Kindergarten requirements.**

Contractors should send hard copies of the above documents to the OSR State Office by the **10<sup>th</sup> working day** of the month following the service month. The earlier the Request for Payment and supporting documents are received, the earlier payment will be made. Contractors may elect to use the US Postal Service or an overnight delivery service. Do not fax advance copies to the OSR State Office.

For US Postal Service use the following address:

More at Four Pre-Kindergarten Program  
Office of School Readiness  
2075 Mail Service Center  
Raleigh, NC 27699-2075

For overnight delivery service use the following address:

More at Four Pre-Kindergarten Program  
Office of School Readiness  
1110 Navaho Drive, Suite 301  
Raleigh, NC 27609-7369

Child eligibility: See - More at Four Program Guidelines and Requirements, Section 3

Final reporting dates: See Section 12 - End of Year Requirements.

## **B. Start-up Funds**

Start-up funds are one-time restricted funds used to prepare a More at Four classroom and are available upon execution of the contract. **The Contractor must request start-up funds** to receive them, can request up to the amount listed in the contract and can do so anytime during the SFY (including before the Contractor expends them). The Contractor is accountable for these funds. This accountability requires the Contractor to fill one new slot for each \$500 in start-up funds received. Additionally, the Contractor must spend \$500 per slot.

To request start-up funds submit the following to the OSR State Office:

- An original, signed ***Request for Start-up Funds (M@4-2 Rev 7/07)*** form. The signatures of the Superintendent/Chairman of Board or designee and the Chief Financial Officer or designee are required.

Allocation, Allowances and Restrictions: See Section 3 – Allocation of Funds

Quarterly reporting start-up funds: See Section 10 - Reporting Requirements

Refunds: See Section 11 - Refunds

Final reporting dates: See Section 12 - End of Year Requirements

### **C. Electronic Funds Transfer**

The NCDPI Financial Services Division issues More at Four payments as set up by the payee with the Office of the State Controller. The two options to receive payments are by electronic funds transfer (EFT) and paper check. The EFT is the preferred method.

Contractors may receive payments electronically by submitting the *DPI Vendor Electronic Payment* form (<http://www.osr.nc.gov>) to the DPI Operational Accounting Office, Attention Sarah Harris. Contractors must notify the DPI Operational Accounting Office (919-807-3636) of any deposit account changes, including physical address and name changes. A copy of the form can be found on the Office of School Readiness website.

### **D. Termination/Suspension of Payments**

More at Four payments may be subject to termination for failure by the Contractor or subcontractor to meet licensing requirements and/or actions by the Contractor that jeopardize the health and safety of children enrolled in the program. Payment to a Contractor will be suspended when the licenses has been summarily suspended or revoked. Payment to a Contractor may be suspended if there is a pending administrative action that would result in the change of the license. The termination or suspension of More at Four Program payments will continue through any appeals process and will not resume until a final determination has been made in the matter.

The OSR State Office will notify the Contractor in a timely manner should payment be suspended or terminated.

Reported Child Abuse and Neglect Investigations: See - *More at Four Program Guidelines and Requirements, Section 7*

## **Section 6. Procurement and Property Management**

### **A. Property Management**

These policies apply to equipment purchased with start up funds, not operating funds from the time a site/classroom began participating in the More at Four Program. Start-up funds can not be used to purchase real property, buses or motor vehicles or office/administrative equipment. Equipment purchased with More at Four start-up funds belongs to the More at Four Program. The Contractor should assign a control number to any equipment that it purchases with start-up funds before sending it to the subcontractor. The subcontractor should tag each piece of equipment that is purchased with start-up funds with a permanent identification number. (See Section 2. Item B.5.) Items must be accounted for and movable. When it is determined that the equipment is no longer needed to support the Program, written instructions should be obtained from the OSR State Office as to disposition. Also, Contractors may use More at Four equipment to be replaced as trade-in against replacement equipment or may sell said equipment and use the proceeds to offset the costs of replacement equipment with prior written approval of the More at Four Program. Detail guidelines for equipment purchased with start-up funds can be found in the executed contract with the Office of School Readiness.

#### **1. Public Agencies**

Public agencies will follow the policies of State Property Management.

#### **2. Not-for-Profit Agencies**

Not-for-profit agencies should have written policies and procedures, which provide proper control and accountability for equipment purchased with More at Four start-up funds. Refer to the NCDHHS Non-Profit Manual [www.dhhs.state.nc.us/control](http://www.dhhs.state.nc.us/control) for further information. The Contractor must notify all subcontractors of their responsibility to comply with equipment conditions.

### **B. Care of Property**

The Contractor is responsible for the proper custody and care of any furnished equipment or equipment purchased with start-up funds. The Contractor will reimburse the OSR State Office for loss or damage of such equipment. When the equipment provided or purchased is no longer needed for More at Four or at the termination of the contract, the Contractor shall obtain written instructions from the OSR State Office regarding dispositions of such equipment.

### **C. Non-consumable Items**

All non-consumable items purchased with More at Four start-up funds must remain with the More at Four Program. Non-consumable items are defined as tangible products that can be stored or inventoried and have an average life expectancy of at least two years. Non-consumables must be accounted for and movable from the time a site/classroom joins the More at Four Program. When a classroom terminates, all non-consumable items must be redistributed to other More at Four classrooms.

#### **D. Selection of More at Four Pre-K Classroom Services**

More at Four does not require competitive bidding in securing contractors to provide More at Four classroom services. Rather, More at Four requires that providers of classroom services are selected and approved by the County/Region More at Four Committee. The Contractor may adopt this policy **UNLESS** their agency has policies and procedures that require bidding, in that case, those bidding procedures must be followed. If the Contractor does have such policies in place but would like to adopt the More at Four policy, the Contractor must receive exception approval through proper channels in its agency.



## Section 7. Program Income

Program income includes **interest earned on start-up funds** and proceeds and interest from the **sale of equipment and non-consumable items purchased with start-up funds**.

When program income is earned during the contract period, the Contractor will report income earned to the OSR State Office on the quarterly start-up report. **Since start-up funds are restricted funds**, income from these funds must be used only for allowable start-up fund purchases as indicated in Section 3. These funds must be expended during the SFY in which they were earned. **They may not be carried forward to the next SFY.**

A Contractor should also have program income policies and procedures in place that would be applicable to subcontractors.

Refund of unspent earned income: See Section 11 – Refund

## **Section 8. Documentation and Records**

Contractors are responsible for establishing and maintaining internal controls, consisting of written policies, procedures, and methods that provide reasonable assurance that the following are met:

- Reliable operational and financial data;
- Safeguarding of assets and records;
- Operational efficiency; and
- Compliance with managerial policies and applicable laws and regulations

The Contractor should maintain documentation of child eligibility and attendance.

The Contractor should maintain documentation on all start-up expenditures. This includes, but is not limited to the following:

- Itemized invoices and payment information;
- Evidence showing the use of Contractor's current procurement policies; and
- Inventory records of equipment purchased.

The Contractor should maintain documentation to support the amount of "other resources accessed" through November 30 as certified. (See Section 3. E.)

The State Auditor shall have access to persons and records as a result of all contracts entered into by State agencies or political subdivisions in accordance with General Statute 147-64.7. Additionally, the NCSBE, the NCDHHS and the OSR More at Four Program shall have access to persons and documentation of all contracts entered into relating to More at Four Program services. The Contractor and subcontractor are responsible for making all documentation available at reasonable times for review, monitoring, evaluation or audit by authorized officers of the State Auditor, NCSBE, NCDHHS and the OSR More at Four Program. The review, inspection or audit may take place both during the performance of and after completion of the contract period.

It is the responsibility of the Contractor to maintain records for certified other resources in accordance with Generally Accepted Accounting Principles (GAAP). Contractors must have the necessary documentation, have computed it correctly and show that it is for More at Four. If Contractors do not supply the necessary information or use a general statement like "office space" or "personnel" it can not be determined whether this is an allowable resource. As a result, it will likely not be counted when audited.

Records shall not be destroyed, purged or disposed of without the express written consent of the OSR State Office. State of North Carolina basic records retention policy requires all records to be retained for a minimum of five years or until all audit exceptions have been resolved, whichever is longer. If the contract is subject to Federal policy and regulations, record retention may be longer than five years since records must be retained for a period of three years following submission of the final Federal Financial Status Report, if applicable, or three years following the submission of a revised final Federal Financial Status Report. Also, if any litigation, claim,

negotiation, audit, disallowance action, or other action involving this contract has been started before expiration of the five year retention period described above, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular five year period described above, whichever is later.

Documentation of children eligible for TANF is subject to federal policy, regulations and audit.  
TANF: See 13 – Audit and Monitoring

## Section 9. MAFKids: More at Four Child Reporting System

The Frank Porter Graham Child Development Institute at the University of North Carolina in Chapel Hill, under contract with More at Four, developed MAFKids. This on-line data base captures information to assist in program evaluation.

MAFKids is linked to MAFPlan (the More at Four on-line Plan) and collects information about More at Four students. The *Monthly Attendance Report* by classroom and the *Summary of Attendance Report* that are submitted with the *Request for Payment (M@4-1, Rev 7/08)* are generated from MAFKids.

MAFKids validates child eligibility based on input data. The validation check is performed when a child form is made Ready to Submit. In order for a child to be listed on the Monthly Attendance Report, the child form for that service month must be in “Ready to Submit” status or “Submitted” status.

Contractors are responsible for entering the child information when the child enters the More at Four Program and for entering the attendance each month. The versatility of MAFKids allows any user with appropriate access to enter child information and attendance daily, weekly, or monthly.

**Note: Contractor and/or subcontractors should enter child information and attendance for each month the child is served and submit data to MAFKids. Child information and attendance should be submitted to MAFKids even if the Contractor is not requesting reimbursement from the OSR State Office.**

For technical assistance with MAFKids:

- Refer to the MAFKids 2007-08 User Guide (located under” Logon to MAFPLAN and MAFKids” at the OSR website and under “Reporting” at the UNC-CH FPG website
- Website: [www.osr.nc.gov](http://www.osr.nc.gov) or [www.fpg.unc.edu/~mafeval](http://www.fpg.unc.edu/~mafeval)
- KC Elander
- Phone: 919-981-7302

For assistance with data queries and reports contact:

- Joe Haenn, Education Research & Evaluation Consultant
- Phone: 919-981-5268

The OSR State Office telephone number is 919-981-5300. The website address is: <http://www.osr.nc.gov>.

Payments: See Section 5 – Payment Process

Reporting: See Section 10 – Reporting Requirements

## Section 10. Reporting Requirements

Submitting plans, reports, documents and other products, as required, to the More at Four State Office is a contract requirement. The following table lists the fiscal reporting requirements for Contractors.

	Form #	Form Name	Submission Instruction	Due Date
1	MAFKIDS	MAFKIDS	To report child information and attendance data must be submitted to the More at Four Child Reporting System (MAFKids) for <u>each</u> month the child is served (even if reimbursement is not requested).	By the <b>10<sup>th</sup> business day</b> of the month following the month of services rendered
2	(M@4-1 Rev. 7/08)	<b>Request for Payment</b>	To request payment for filled slots submit the following: • an original, signed, completed <b><i>Request for Payment (M@4-1 Rev 7/08)</i></b>	By the <b>10<sup>th</sup> business day</b> of the month following the month of services rendered for <b>July through May services</b>
3	(M@4-5 Rev 7/05)	<b>Summary Attendance Report</b>	• an original, signed, completed <b><i>Summary of Attendance Report (M@4-6 Rev 7/05)</i></b> generated from MAFKIDS.	Request for <b>June services</b> is due no later than <b>June 20</b>
4	(M@4-7 Rev 4/07)	<b>Monthly Attendance Report</b>	The Contractor must <b>manually</b> enter the “Number of Slots for Payment” per classroom on this form.  • a signed, completed <b><i>Monthly Attendance Report (M@4-7 Rev 4/07)</i></b> per classroom form generated from MAFKIDS	
5	(M@4-4 Rev 7/06)	<b>Quarterly Start-Up Report</b>	To report the expenditure of start-up funds submit: • one original <b><i>Quarterly Start-up Report (M@4-4 Rev 7/06)</i></b> form signed by the Superintendent/Chairman of Board or designee. NOTE: If Contractor expends and reports all start-up funds prior to the fourth quarter, mark the last report as “final” and do not submit any subsequent quarterly start-up reports. Program income is also reported on this form. No submission is necessary if start-up funds were not received.	• 1st qtr is due <b>10-15</b> • 2nd qtr is due <b>01-15</b> • 3rd qtr is due <b>04-15</b> • 4th qtr is due no later than <b>June 20</b>
6	(M@4-11 Rev 7/07)	<b>Other Resources Certification Statement</b>	To report actual expenditures of resources accessed through November 30 submit: • one original <b><i>Other Resources Certification Statement (M@4-11 Rev 7/07)</i></b> form signed by the Contract Administrator.	<b>January 5</b>
7	MAFPlan	<b>Estimated Other Resources Budget</b>	To update the estimated other resources budget submit through MAFPlan on-line. List annual amounts by funding source that represent the best annual estimate of other resources accessed to support the Program for the current state fiscal year.	<b>Dec. 15 and May 15</b>

Request for monthly payment: See Section 5 - Payment Process

Final reporting dates: See Section 12- End of Year Requirements

Reporting System: See Section 9 – More at Four Child Reporting System (MAFKIDS) – Database

Start-up funds request: See Section 5 - Payment Process

Refunds: See Section 11 - Refunds

Documentation: See Section 8 - Documentation and Records

Other Resources Requirements: See Section 3 – Allocation of Funds

## **Section 11. Refunds**

The OSR State Office must reconcile all funds by the end of each state fiscal year. All refunds must be received in the OSR State Office no later than June 20 in order for payments to be made within the state fiscal year as required.

A refund to the OSR State Office must occur, if:

**a. Start-up funds:**

- A refund of start-up funds must occur if the total number of slots for which the Contractor received start-up funds is not filled by the legislatively mandated date (See Section 3.B.) If applicable, the OSR State Office can reduce the subsequent monthly operating payment.
- A refund of start-up funds must occur prior to the final operating payment if a Contractor's start-up expenditures are less than the amount of start-up received. (The Contractor must return any unspent portion of \$500 per slot.)
- A refund of program income earned on start-up funds must occur if the Contractor does not expend the funds in the year they are earned.

**b. Ineligible child(ren):**

- If a Contractor receives payment for an ineligible child(ren), it must refund the operational amount received as well as any related start-up funds, to the OSR State Office immediately but no later than June 20.

**c. Sales/Use Tax:**

- A refund to the OSR State Office is due if the Contractor erroneously reports a refundable sales/use tax expenditure of start-up funds. If eligible, the Contractor and all subcontractors shall (1) ask the North Carolina Department of Revenue for a refund of all sales and use taxes paid by them in the performance of the contract, pursuant to G.S. 105-164.14; and (2) exclude all refundable sales and use taxes from all reportable expenditures before the expenses are entered in the quarterly start-up reports. Also, the Contractor will certify that it and all of the subcontractors (if any) collect all required taxes, pursuant to G.S. 143-59.1

**d. Other Refunds:**

- All other refunds due the OSR State Office should be received in accordance with these guidelines.

The Contractor may return funds to the OSR State Office in one of two ways listed below:

- a. Reduce the amount of refund from a subsequent request for payment; or
- b. Submit a check payable to the NCDPI Office of School Readiness for the amount of refund. The check should include the Contractor's name, contract identification number and reason for refund such as start-up or ineligible child.

The check should be mailed to the following address:

For US Postal Service use the following address:

More at Four Program  
NC Office of School Readiness  
2075 Mail Service Center  
Raleigh, North Carolina 27699-2075

For overnight delivery service use the following address:

More at Four Program  
Office of School Readiness  
NC Office of School Readiness  
1110 Navaho Drive, Suite 301  
Raleigh, North Carolina 27609-7369

Payment of Start-up funds: See Section 5 – Payment Process

Start-up funds: See Section 3 – Allocation of Funds

Child Eligibility: See Program Guidelines and Requirements Manual, Section 3

Sales/Tax Use Refunds: See General Statute 105-164.14 and G.S. 143-59.1

## Section 12. End of Year Requirements

More at Four funds are available only the SFY for which they are authorized. Therefore payments to Contractors for services rendered must be made within that SFY. However, this requirement does not apply to the Contractor's spending of More at Four state operating funds. A Contractor may, with the approval of the Committee, carry forward unused operating funds to the next fiscal year.

The More at Four Program contracts follow the SFY and terminate on June 30. Since the OSR State Office must reconcile all funds by the end of each SFY, all financial reporting, including Requests for Payment and quarterly start-up reports, must be received in the OSR State Office **no later than June 20** in order for payments to be made within the SFY.

### A. Request for Payments

***Request for Payment (M@4-1 Rev 7/08)*** and supporting documentation for **June** services and any adjustments to earlier services are due no later than June 20. Failure to submit by June 20 may result in no payment.

Monthly request for payment: See 5 - Payment Process

### B. Quarterly Start-up Reports

***Quarterly Start-up Report (M@4-4 Rev 7/06)*** form for the last quarter of the SFY (April/May/June), plus any adjustments for earlier quarters is due to the OSR State Office no later than June 20.

**Start-up funds need to be fully accounted for in order to receive final payment for operations (Request for Payment).**

Program income is also reported on this form. (Program income includes **interest earned on start-up funds** and proceeds from the **sale of equipment and non-consumable items purchased with start-up funds.**)

Requesting start-up funds: See Section 5 –Payment Process

Allocation, Allowances and Restrictions: See Section 3 – Allocation of Funds

Program Income: See Section 7

Documentation: See Section 8 – Documentation and Records

### C. Reconciling Records

Contactors must reconcile records on the following:

- Expenditure of start-up funds;
- Expenditure of certified other resources;
- Eligibility of children attending More at Four classes; and
- Child attendance records.



## Section 13. Audit and Monitoring

### A. Audit

The More at Four Program contracts are purchase of service contracts and are not subject to a fiscal audit under G. S. 143C-6-22 & 23. However, the Contractor and subcontractor are subject to an audit of start-up fund expenditures, child eligibility and attendance, and certified other resources accessed and may be subject to a program audit.

Documentation: See Section 8– Documentation and Records.

Start-up funds: See Section 3 Allocation of Funds.

Child Eligibility: See *Program Guidelines and Requirements Manual*, Section 3  
See Audit Compliance Guidelines

### B. Monitoring Local *More at Four* Pre-K Programs

The More at Four State Program, local contractors, and site administrators are required to monitor for compliance with the More at Four program and fiscal and contract guidelines and requirements. The monitoring process includes reviewing the child eligibility process, confirming that developmental screens and health assessments are completed, and checking other requirements as described to ensure that the guidelines are met.

- Monitoring Tools: Monitoring tools developed by the More at Four State Program should be used at the local level for self-review and verification of compliance with the operating regulations and standards.
  - a. **More at Four Site Monitoring Tool (Site Tool), completed by the local site administrator (or designee),** is designed to provide checklists of those components of the program that must be reviewed for compliance annually at the site and classroom level.
  - b. **More at Four Contractor Monitoring Tool (Contractor Tool), completed by the local contractor (or designee),** is designed to provide checklists of those components of the program (both programmatic and fiscal) that must be reviewed for compliance annually at the local contractor level.
  - c. **Contractor and Site Tools** are organized by a specific program or fiscal guideline, lists of specific documentation required to support a cited guideline/standard (source column), and “Yes, No, N/A, and Plan” columns for self-monitoring. Supporting documentation, listed under the “source” column, should be available for review by More at Four State Program personnel during monitoring visits. **To download Tools** see <http://www.osr.nc.gov>
- On-Site Visits: Regular visits by More at Four State Program personnel will be made to programs to ensure standards and documentation are in place with the program and fiscal regulations and standards, as well as to offer technical assistance to improve program quality.
- Child and Program On-line Systems: Reporting and monitoring information may be obtained through the More at Four County Plan (MAFPlan) and the More at Four Reporting System (MAFKids). These systems include extensive information about children, staff, and programs. Child information will include the necessary information required to support the State’s Maintenance of Effort (MOE) for Temporary Assistance to Needy Families (TANF).

## 1. Program and Fiscal Monitoring Responsibilities

### a. Site Administrator Level

1. Each site must monitor its own program and classrooms on a regular basis using the **More at Four Site Monitoring Tool (Site Tool)**.
2. The **Site administrator** (or **designee**) monitors More at Four sites/classroom(s) and completes the **Site Tool**.
3. When a particular standard or requirement has not been met, each site should establish a written plan (including exceptions from the state office ) to meet compliance, including defining who is responsible for accomplishing the task, a timeline, and other information to indicate progress toward meeting the requirement.
4. **By November 30<sup>th</sup>** of the program year, the site administrator completes, **signs (Section C. Assurance Statement)**, dates an original copy of the completed Site Tool, attaches written action plans for items not met, and submits to the local contractor. NOTE: If a site or classroom becomes a More at Four site or classroom after October 1, a Site Tool should be completed and submitted to the local contractor within 90 days of the first attendance day at that site/classroom.
5. Information collected with this tool will be used by the local contractor to confirm, record, and report local site compliance to the More at Four State Program using the **More at Four Contractor Monitoring Tool (Contractor Tool)**.

### b. Local Contractor Level

1. **Local contractors** monitor sites/classrooms and complete the **Contractor Monitoring Tool (Contractor Tool)**.
2. The **local contractor** (or designee) ensures that:
  - a. **By November 30<sup>th</sup> of the program year** an original copy of the **Site Tool** from each More at Four site is on file. (See **NOTE** in item 4, above.)
  - b. **Section D (Self-Monitoring)** on the More at Four **Contractor Tool** is completed using results from the Site Tool. Specific written action plans, timelines, exceptions from the state office, and information to indicate progress toward meeting a requirement for any site/classroom must be recorded and attached to the monitoring tool.
  - c. The **Contractor Tool** will be made available to More at Four State Program personnel for review during a scheduled monitoring/compliance visit. Such visits will occur during the months of **February through April** of the program year. More at Four State Program personnel will contact the local contractor (or designee) to set a specific date and time to review monitoring results.
  - d. **No later than February 28<sup>th</sup>** of the program year, at least one annual site visit will be made to each More at Four program site/classroom. During

the visit, the **Site Tool** should be discussed and validated by the local Contractor (or designee). For sites/classrooms that have not met specific guidelines, written plans, attached to the **Site Tool**, to meet compliance should be reviewed and monitored for completion. This may require additional classroom visits by the Contractor (or designee).

- e. **By May 15, Sections E (Contractor Monitoring Visits) and F (Assurance Statement)** of the Contractor Tool are completed, signed, and dated. Any written action plans, timelines, exceptions from the state office, and other information to support progress toward standards not met are attached and mailed to the state office.
- 3. Results are reported to the local More at Four Committee prior to **May 1<sup>st</sup>** of the program year. Information included in the tool should be considered in planning for the upcoming program year.

**c. State Level**

- 1. **More at Four State Program personnel** will schedule monitoring visits during **February through April** to review results collected and documented, including action plans, on the **Contractor and Site Tools** by the county/region contractor.
- 2. **More at Four State Program personnel will:**
  - a. Validate that all requirements have either been met or plans for achieving compliance are in place. Validation is a process that requires comparing results reported on the monitoring tools (“Yes, No, N/A, Plan”) with the evidence to support the “Yes, No, N/A, Plan” selections. Validation occurs when there is agreement between what the local contractor (or designee) reports and what the monitor (state program personnel) reviews. If specific program or fiscal guidelines have not been met, plans and a timeline for meeting compliance will be discussed.
  - b. Confirm that the Contractor (or designee) will submit final monitoring results, summarized on the **Contractor Tool** with supporting plans for items not met, to the state office by **May 15**. This may require additional visits and/or other follow-up (Email communication, telephone calls, technical assistance visits) by the More at Four State Program to provide support in areas not fully implemented.
- 3. By **May 31**, More at Four State Program personnel reviews, signs, dates **Section G (State Office Validation)**, and returns a copy of the **Contractor Tool** to the local Contractor (or designee) along with any plans for meeting the program and fiscal standards.
- 4. An original copy of the tool will be maintained by the state office as evidence of guideline compliance.

## 2. Monitoring Timeline

Monitoring activities should begin with the start of each program year and continue throughout the year to ensure that program guidelines and requirements are met.

When	What	Who
<b>By November 30</b>	An original copy of the <b>Site Tool</b> is completed, and plans for items that require an Action Plan must be submitted to the Local Contractor. (Site or classroom new after October 1, should complete and submit within 90 days of the first attendance day.)	<b>Local site administrator or designee</b> (site director or public school principal)
<b>November - February</b>	Complete <b>Sections A through D</b> on the <b>Contractor Tool</b> , including Action Plans and Timelines, as applicable.  Conduct site visits to review and discuss <b>Site Tool</b> and results.	<b>Local Contractor</b> (or designee)  <b>Local Contractor</b> (or designee)
<b>By February 28</b>	Complete site visits to all More at Four sites to review and discuss <b>Site Tool</b> results. Schedule follow-up visits as needed.	<b>Local Contractor</b> (or designee)
<b>February - April</b>	More at Four State program personnel visits local contract administrator to discuss/review Site Tools and Contractor Tool results.	<b>MAF State Program Personnel</b>
<b>By May 15</b>	Complete <b>Contractor Tool (Sections E and F)</b> , including Action Plans (timeline/who completes each task) for items that do not meet the Program and/or Fiscal Guidelines, sign, date, and mail to state office.	<b>Local Contractor</b> (or designee)
<b>By May 31</b>	MAF State program personnel complete <b>Section G</b> and mails copy of <b>Contractor Tool</b> to the local Contractor. (Original copy filed in the state office.)  Monitoring results reported to the Local More at Four Committee	<b>MAF State Program Personnel</b>  <b>Local Contractor</b>

### 3. Technical Assistance by State Office Personnel

The intent of classroom technical assistance is to help early childhood professionals identify areas of strength in classroom practice and areas in which support is needed. Classrooms may be designated for technical assistance based on the results of formal assessments, observations made by state personnel during site visits, at the request of the contractor, or based on other sources of reporting. Classroom technical assistance may include the development of a plan for professional growth, and appropriate follow-up by local or State Office personnel.

The OSR/Teacher Licensure Unit has a separate technical assistance process for participating teachers.

### 4. Monitoring Temporary Assistance to Needy Families (TANF) and Maintenance of Effort (MOE)

#### a. State Responsibility

The Temporary Assistance to Needy Families (TANF) block grant funds services and assistance to income-eligible families who have a child living in the home. The TANF block grant, administered by the State Department of Health and Human Services (DHHS), has an annual cost sharing requirement, referred to as the Maintenance of Effort requirement (MOE). Every federal fiscal year each state must spend a certain amount of its own money to help eligible families in ways that are consistent with the purpose of the TANF program. The More at Four Pre-Kindergarten Program, designed to provide high-quality pre-kindergarten experiences that may allow parents to work, may count as MOE. (See *More at Four Pre-Kindergarten Program Fiscal and Contract Manual*.)

Local More at Four administrative programs are subject to monitoring visits by the DHHS Division of Budget and Analysis Office to verify children's eligibility for the TANF/MOE match. The Division of Budget and Analysis in conjunction with the State More at Four Program will select administrative programs for monitoring visits. Monitoring visits are not audits, but reviews of randomly selected child records, to ensure that funds to be counted as MOE meet the basic guidelines, as outlined in the *More at Four Pre-Kindergarten Program Fiscal and Contract Manual*. Criteria to be monitored are collected in the More at Four Reporting System (MAFKids) database, which are entered and updated monthly by the local More at Four program contract administrator. MAFKids determines if a child is TANF eligible. ***Only the state is impacted by the monitoring results. Local programs are not impacted fiscally by a finding of an ineligible TANF MOE child.***

Procedures include:

1. The DHHS Division of Budget and Analysis and the More at Four State Program will work together to select a random sample of local More at Four programs and individual sites to be monitored.
2. The DHHS Division of Budget and Analysis, in consultation with the More at Four State Program, will send a notification letter of a pending site visit with information about how the visit will be scheduled and conducted.
3. Each local program will receive a list of clients' files to be monitored.
4. Each local program may request a copy of the TANF/MOE Record Review Form and Record Review Guide as needed.

**b. Local Responsibility**

Periodically, local programs must verify and update child information in MAFKids. (MAFKids automatically determines TANF eligible children based on the data entered in the system.) Local More at Four programs should inform eligible More at Four families, at the time of their enrollment into the program, that they should update the program if any of the following information changes during the More at Four program year. Families should be informed that More at Four services would continue for their child and would not be affected by the information update/change except where noted below with an asterisk (\*).

- a. Name changes
- b. Child's living arrangement changes related to who has legal custody and/or guardianship of the child
- c. \*If a child moves or relocates or leaves the program

# Appendix

## Appendix A: Forms List

1.	*( <a href="#">M@4-1</a> Rev. 7/08)	The More at Four Pre-Kindergarten Program <b>Request for Payment</b>
2.	( <a href="#">M@4-6</a> Rev 7/05)	The More at Four Pre-Kindergarten Program <b>Summary of Attendance Report</b>
3.	( <a href="#">M@4-7</a> Rev 4/07)	The More at Four Pre-Kindergarten Program <b>Monthly Attendance Report</b>
4.	*( <a href="#">M@4-2</a> Rev 7/07)	The More at Four Pre-Kindergarten Program <b>Request for Start-up Funds</b>
5.	( <a href="#">M@4-4</a> Rev 7/06)	The More at Four Pre-Kindergarten Program <b>Quarterly Start-Up Report</b>
6.	( <a href="#">M@4-5</a> Rev 6/06)	The More at Four Pre-Kindergarten Program <b>Request for Additional Slots</b>
7.	*( <a href="#">M@4-10</a> Rev 7/06)	More at Four Pre-Kindergarten Program <b>Authorization to Release Slots</b>
8.	( <a href="#">M@4-11</a> Rev 7/08)	The <b>More at Four</b> Pre-Kindergarten <b>Other Resources Certification Statement</b>
9.		<b>DPI Vendor Electronic Payment</b>
10.		<b>More at Four Contractor Monitoring Tool for SFY 2007-08</b>
11.		<b>More at Four Site Monitoring Tool for SFY 2007-08</b>

The forms listed above with instructions are located on the North Carolina Office of School Readiness website: <http://www.osr.nc.gov> to retrieve forms for daily use.

The Contractor and/or subcontractor should have a letter on file if any required signatures are delegated to other staff.

### IMPORTANT:

\* The asterisk indicates the form found on the Office of School Readiness website should be saved as a word Document Template. If you have questions on how to use the forms, please call Susan Blackard at (919) 981-5346.



## **Appendix B: List of Related Resources**

1. More at Four Home Page: [www.osr.nc.gov](http://www.osr.nc.gov)
2. Main North Carolina State Government website: [www.ncgov.com](http://www.ncgov.com)
3. Private Not for Profit Manual [www.dhhs.state.nc.us/control](http://www.dhhs.state.nc.us/control)
4. MAFKIDS / Frank Porter Graham: [www.fpg.unc.edu/~mafeval/](http://www.fpg.unc.edu/~mafeval/)
5. Office of State Controller Vendor Pay Form [www.osc.state.nc.us](http://www.osc.state.nc.us)
6. Office of the State Auditor Internet Home Page [www.ncauditor.net](http://www.ncauditor.net)
7. State Statutes. [www.nca.state.nc.us](http://www.nca.state.nc.us)
8. Office of State Controller: [www.ncosc.net](http://www.ncosc.net)
9. State Budget Manual: [http://www.osbm.state.nc.us/files/pdf\\_files/complete.pdf](http://www.osbm.state.nc.us/files/pdf_files/complete.pdf)
10. MAFPlan 0405 <http://maf.med.unc.edu/MAFPlan/Login.aspx>
11. MAFPlan 0506 [http://maf.med.unc.edu/MAFPLAN\\_0506/Login.aspx](http://maf.med.unc.edu/MAFPLAN_0506/Login.aspx)
12. MAFPlan 0607 [http://maf.med.unc.edu/MAFPLAN\\_0607/Login.aspx](http://maf.med.unc.edu/MAFPLAN_0607/Login.aspx)
13. MAFPlan 0708 [http://maf.med.unc.edu/MAFPLAN\\_0708/Login.aspx](http://maf.med.unc.edu/MAFPLAN_0708/Login.aspx)

## Appendix C: Glossary of Terms

**Note:** these terms are defined as specifically used in the *More at Four* Program

**Administrative Letter:** An official approval or denial letter, signed by the Executive Director of the Office of School Readiness, for changes to the Plan such as site location, teacher credentials, or reallocation of slots between sites. The letter should be maintained with the original Plan. An Administrative Letter **does not** change the total amount of More at Four funds available.

**Allocation:** State More at Four Program funds that are designated by the OSR State Office to counties for program operations.

**Allocated Slots:** The number of slots by county that can be funded with the allocation from the More at Four funds.

**Attendance Report:** A form identifying student name, birth date, date enrolled in the More at Four Program, and days attended during a given month. This form is required documentation submitted with the Request for Payment and is entered on the MAFKIDS (More at Four Child Reporting System). The Attendance Report must be signed by the Site Director and the Contractor on a monthly basis to verify attendance.

**Audit Trail:** The ability to trace each transaction forward from the source of documentation through all journals and ledgers to the summary statements and financial reports, or the reverse.

**Leveraging of Funds:** The full funding of the More at Four program by a mix of More at Four funds, other state funds, federal funds, and community resources.

**County/Region More at Four Committee:** A committee of local educators and representative from other groups interested in pre-kindergarten educational programs for at-risk children. The committee must be chaired and convened by a school superintendent in a county/region or designee and the board chair for the local Smart Start Partnership for Children or designee. The Committee determines the Contractor, approves the Plan and advises the Contractor during the contract period.

**Budget:** A plan of financial operation showing an estimate of proposed expenditures for a fiscal year and the proposed means of financing them. The contract budget consists of funding from the State More at Four Program for operating and start-up.

**Contract:** A mutually binding legal relationship between the NCSBE More at Four Program and the responsible county/regional entity to provide More at Four classroom services to eligible children

and receive payment based on a rate for each filled slot. The contract is a Purchase of Service Contract.

**Contractor:** The responsible county/regional entity entering into a purchase of service contract with the NCSBE, More at Four Program to deliver a service for the More at Four program. The term includes public and non-profit organizations such as, but not limited to, local partnerships, school systems and Head Start agencies.

**Contract Administrator:** The person, designated by the County/Region More at Four Committee, to oversee the More at Four contract.

**Contract Amendment:** A written agreement, signed by all parties of the contract, which changes specifications of the contract, such as, but not limited to, period of coverage or payment rate or number of slots.

**Cost:** The direct and allocated expenses related to a particular service or program. Cost is determined on a cash basis. Cost does not include transfers of funds and may exclude other types of expenses as directed by the awarding agency.

**Cost of Equipment:** The net invoice price of the equipment including the cost of modifications, attachments or accessories. Other charges such as the cost of installation, transportation, taxes, duty or protective in-transit insurance, can be included or excluded from the cost according to the Contractor's regular accounting practices. This applies to reporting the expenditure of start-up funds.

**Eligible Child:** A child who meets the established criteria to participate in the More at Four program.

**Equipment:** Tangible, nonexpendable, personal property having a useful life of at least two years and acquisition cost of \$500 or more per unit.

**Filled slot:** The attendance of an eligible child (children) in the More at Program classroom for during any given month of the contract that is paid by the NCSBE.

**Fiscal Administrator:** The person, selected by the County/Region More at Four Committee, who is responsible for managing fiscal transactions using GAAP.

**Generally Accepted Accounting Principles (GAAP):** Uniform minimum standards and guidelines for financial accounting and reporting. They govern the form and content of the financial statements of an entity. GAAP encompass the conventions, rules and procedures necessary to define accepted accounting- practice at a particular time. They include not only broad guidelines of general application, but also detailed practices and procedures. GAAP provide a standard by which to measure financial presentations. The primary authoritative body on the application of GAAP to state and local governments GASB, Governmental Accounting Standards Board.

**Non-consumable items:** All non-consumable items purchased with More at Four start-up funds must remain with the More at Four Program. Non-consumable items are defined as tangible products that can be stored or inventoried and have an average life expectancy of at least two years. Non-consumables must be accounted for and movable from the time a site/classroom joins the More at Four Program. When a classroom terminates, all non-consumable items must be redistributed to other More at Four classrooms.

**Not-for-profit Agency:** Any corporation, trust, association, cooperative, or other organization that (a) is operated primarily for educational, service, charitable, or similar purposes in the public interest; (b) is not organized primarily for profit; and (c) uses its net proceeds to maintain, improve or expand its operations.

**Operating Funds:** The payments made to the Contractor for monthly services to eligible children. These funds are a fixed payment rate per slot per month of service delivered. The funds are to be used at the discretion of the Contractor, with the approval of the committee. However, since the More at Four Program pays approximately half of the cost of a quality pre-k program, the funds are generally used to offset part of the cost of providing the More at Four program. The calculation is based on the number of slots filled times the monthly rate of payment.

**Other Resources Accessed:** Legislatively required and divided into two categories, 1) **Estimated Resources;** annual approximation accessed other than More at Four funds available from state, federal and local sources for operating the More at Four Program, 2) **Certified Resources;** actual expenditures supported by funds other than More at Four funds received from state, federal and local sources for operating the More at Four Program. Examples include, but are not limited to, Smart Start funds, Title I funds, Head Start funds and city/county appropriations.

**Procurement:** The process of purchasing goods and services used by the Contractor and subcontractors for the provision of services.

**Program Income:** Income earned by the Contractor that is directly generated by interest on start-up funds and by the sale of non-consumable items purchased with start-up funds.

**Public Agency:** Any government agency, either local, state or federal, which acts on behalf of the people in general rather than private matters or interests.

**Purchase of Service Contract (POS):** An agreement in which an independent contractor performs routine or recurrent services requiring specialized knowledge, experience, expertise or similar capabilities for a state agency for compensation from More at Four funds (e.g., pre-kindergarten program for at-risk children). The pre-approved service is not primarily for review, analysis or advice in formulating or implementing improvement in programs or services. The following organizational activities involve Contractors who are party to purchase of service contracts:

The contractor: (1) provides the goods and services within normal business operations; (2) provides similar goods or services to many different purchasers; (3) operates in a competitive environment; (4) provides goods or services that are secondary to the operation of the Federal program; and (5) is not subject to compliance requirements of the Federal program.

A vendor is measured against the terms of a contract. Goods must meet certain specifications and services are measured against certain quality standards. A vendor normally operates in a competitive environment and once a pre-determined unit price has been established in a contract, there is usually no interest in how the vendor expends funds in meeting the vendor's obligation(s) under the terms of the contract.

**Restricted Funds:** Funds received by the Contractor, which can only be used for the specific purpose, as indicated by the OSR State Office. Start-up funds can only be used for specific items and therefore are restricted funds.

**Site:** A location approved by the OSR State Office to house one or more pre-k classrooms.

**Start-up Funds:** Start-up funds are a one-time standard allocation of (\$500) per slot and are restricted funds. Contractors use the Generally Accepted Accounting Principles (GAAP) to document start-up fund expenditures. These funds must be used to prepare the More at Four Pre-Kindergarten classroom, including but not limited to the purchase of instructional material, curriculum, equipment and supplies. As restricted funds, start-up funds may not be expended for real property, buses or motor vehicles or office/administrative equipment. Items purchased with start-up funds stay with the More at Four Program and as such must be portable and tracked. The Contractor is accountable for these funds. This accountability requires the Contractor to fill one new slot for each \$500 in start-up funds received. Additionally, the Contractor must spend \$500 per slot. The Contractor, as advised by the County/Region More at Four Committee, may allocate start-up funds among the classrooms based on needs. The Contractor, as advised by the County/Region Committee, decides if subcontractor will receive start-up funds in contract to purchase start-up items or if the Contractor will purchase the items for the subcontractor.

**State Fiscal Year (SFY):** 12-month period running from July 1 through June 30.

**Subcontract:** A purchase of service contract (see definition above) between the Contractor and another entity, to provide More at Four Pre-kindergarten services.

**Subcontractor:** The responsible entity, who has entered into a purchase of services contract with the Contractor to provide More at Four Pre-K services.

**Termination:** The cancellation of a contract, in whole or in part, by the OSR State Office prior to the original date of completion.